

I claim:

1. A method for valuing options comprising:

- identifying at least a first and second option termination event which first and second option termination event can each impact in different ways, at least in part, a window of exerciseability and an option's termination-dependent value;
- providing an option pricing model as a function, at least in part, of a risk assessment for the first and second option termination event.

2. The method of claim 1 wherein the method for valuing options further comprises a method for valuing stock options.

3. The method of claim 2 wherein identifying at least a first and second option termination event which first and second option termination event can each impact in different ways, at least in part, a window of exerciseability and an option's termination-dependent value comprises identifying at least a first and second stock option termination event which first and second stock option termination event can each impact in different ways, at least in part, a window of exerciseability and an option's termination-dependent value.

4. The method of claim 1 wherein the first and second option termination events correspond to employment termination events.

5. The method of claim 4 wherein at least one of the employment termination events comprises at least one of:

- voluntary severance;
- severance for cause;
- death;
- corporate bankruptcy.

6. The method of claim 1 wherein providing an option pricing model further comprises providing an extension of a binomial model.

7. The method of claim 1 wherein providing an option pricing model further comprises providing a multi-termination partial differential equation-based pricing model.

8. The method of claim 1 and further comprising using the option pricing model to provide a valuation figure for a multiple termination option.

9. A method for facilitating risk-neutral valuation of executive stock options while taking into account multiple severance risks and exercise restrictions comprising:

- identifying multiple severance risks wherein each of the severance risks:
- is at least partially dependent upon an executive's mode of exit from corresponding employment; and
- has a corresponding, different ex-severance value;
- modeling the multiple severance risks to provide at least one corresponding model;
- using the at least one corresponding model to provide a substantially risk-neutral valuation for the executive stock options.

10. The method of claim 9 wherein identifying multiple severance risks comprises identifying at least one of:

- voluntary severance;
- severance for cause;
- death;
- corporate bankruptcy.

11. The method of claim 9 wherein modeling the multiple severance risks to provide at least one corresponding model comprises using a doubly stochastic Poisson probability process.

12. The method of claim 11 wherein using a doubly stochastic Poisson probability process further comprises using a doubly stochastic Poisson probability process in at least one of a multi-severance binomial tree and in a multi-severance partial differential equation process.

13. The method of claim of claim 9 wherein using the at least one corresponding model to provide a substantially risk-neutral valuation for the executive stock options further comprises using the at least one corresponding model to provide a substantially risk-neutral valuation for the executive stock options wherein the substantially risk-neutral valuation comprises a substantially arbitrage-free value.

14. The method of claim 13 wherein the substantially arbitrage-free value comprises a substantially arbitrage-free value that is substantially independent of at least one of an option holder's personal risk and personal wealth.

15. A digital memory having stored therein instructions that correspond, at least in part, to:

- at least a first and second option termination event which first and second option termination event can each impact in different ways, at least in part, a window of exerciseability as corresponds to an option;
- an option model that is a function, at least in part, of a risk assessment for the first and second option termination event.

16. The digital memory of claim 15 wherein the first and second option termination event comprise first and second stock option termination events.

17. The digital memory of claim 16 wherein the first and second stock option termination events correspond to employment termination events.

18. The digital memory of claim 17 wherein at least one of the employment termination events comprises at least one of:

- voluntary severance;
- severance for cause;
- death;
- corporate bankruptcy.

19. The digital memory of claim 15 wherein the option model further comprises a multi-termination binomial model.

20. The digital memory of claim 15 wherein the option model further comprises a multi-termination partial differential equation-based process.